

Message Text

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ORIGIN SS-25

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FM SECSTATE WASHDC

TO AMEMBASSY TUNIS IMMEDIATE

INFO AMEMBASSY TRIPOLI IMMEDIATE

AMEMBASSY LONDON IMMEDIATE

C O N F I D E N T I A L STATE 131065

EXDIS, LONDON FOR KINSOLVING

E.O. 11652: GDS

TAGS: PBOR, PLOS, ENRG, LY, TS, US

SUBJECT: CONTINENTAL SHELF DISPUTE

1. CHARLES THORNTON, PRESIDENT READING AND BATES, CALLED
DEPASSTSECY VELIOTES TWICE THIS MORNING TO REPORT ON TWO
MEETINGS WITH LIBYANS. ACCORDING TO THORNTON, AT BEGINNING
OF FIRST MEETING READING AND BATES TABLED THE HABIB LETTER
AND TOOK THE POSITION THAT GIVEN POSITION OF USG, COMPANY
MUST WITHDRAW. LIBYANS EXPRESSED SURPRISE THAT THIS WAS
STILL POSITION OF USG IN VIEW OF FACT THAT MEETINGS UNDER
ARAB LEAGUE AUSPICES WERE DUE TO BEGIN IN TUNIS TOMORROW.
LIBYANS SAID THAT PART OF UNDERSTANDING CONCERNING MEETINGS
WAS THAT TUNISIANS WERE PREPARED TO ACQUIESCE IN SHIP
STAYING ON SITE AND CONTINUING WORK. LIBYANS SPECIFICALLY
STATED THAT PRESIDENT BOURGUIBA HAS AGREED WITH THE PRO-
POSAL THAT THE RIG CONTINUE TO WORK WHILE THE NEGOTIATIONS
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WERE UNDERWAY.

2. WE PASSED FOREGOING ON TO AMBASSADOR ALI HEDDA AND
ASKED HIM IF HE COULD CONFIRM LIBYAN POSITION. WE NOTED
THAT IF TUNISIAN GOVERNMENT POSITION HAD INDEED CHANGED,
USG COULD NOT CONTINUE TO PRESSURE THE COMPANY TO WITHDRAW
THE SHIP. HEDDA'S RESPONSE, IN EFFECT, AVOIDED ADDRESSING

THE ISSUE DIRECTLY. HE CONFIRMED THAT HE WAS AWARE OF COMMUNIQUE FROM POLITICAL BUREAU DATED TODAY WELCOMING NEGOTIATIONS AND MAKING REFERENCE TO OPERATIONS UNDERWAY IN THE DISPUTED ZONE. HE WOULD NOT, OR COULD NOT, STATE WHETHER OR NOT THIS CONSTITUTED AN OFFICIAL CHANGE IN HIS GOVERNMENT'S POSITION. SPEAKING "PERSONALLY," HE DID NOTE THAT NEVERTHELESS WE SHOULD ALL RECOGNIZE THAT THE DEPARTURE OF THE BOAT WOULD STRENGTHEN TUNISIA'S HAND IN THE NEGOTIATIONS AND ALSO IMPROVE PUBLIC POSTURE OF USG IN TUNISIA IN CONTEXT THIS MATTER. WE FRANKLY REPLIED THAT THIS WAS NOT THE ANSWER TO THE QUESTION AND THAT WE HAD TO HAVE THAT REPLY BEFORE DECIDING ON NEXT STEPS THE USG SHOULD TAKE. WE REMINDED HEDDA THAT OPERATIVE PART OF HABIB LETTER WAS THAT GOT HAD INFORMED US THAT IT "WILL NOT REPEAT NOT AGREE TO DISCUSS ANY KIND OF COMPROMISE WITH THE LIBYAN GOVERNMENT AS LONG AS YOUR RIG IS PRESENT IN THE DISPUTED ZONE..." ETC. WE LEFT IT THAT HEDDA WOULD SEND TO US THE TEXT OF THE COMMUNIQUE AS SOON AS HE HAD RECEIVED IT.

3. THORNTON CALLED AGAIN FROM LONDON AT 9:00 A.M. WASHINGTON TIME TO REPORT THAT THE LIBYANS HAD CALLED A SECOND MEETING AND GIVEN HIM THE FOLLOWING CABLE THAT WAS SENT TO OMAR MONTASSER, CHAIRMAN OF THE BOARD NOC AND LEADER OF LIBYAN DELEGATION, FROM FOREIGN MINISTER TRIKI IN TRIPOLI. LIBYANS FURNISHED FOLLOWING TRANSLATION IN ENGLISH FROM ARABIC: "I HEREBY INFORM YOU WE HAVE REACHED AN ACCORD WITH TUNIS CONCERNING THE BEGINNING OF NEGOTIATIONS WITH US TODAY AND I WILL BE LEAVING FOR CONFIDENTIAL

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TUNIS THIS EVENING. YOU SHOULD NOTE THAT TUNIS HAS ISSUED A DECLARATION FROM THE POLITICAL BUREAU THAT IT HAS NO OBJECTION TO THE CONTINUATION OF DRILLING AND HENCE YOU ARE REQUESTED TO INFORM THE COMPANY OF THAT WHEN YOU MEET WITH THEM AND THE COMPANY SHOULD HAVE NO FEAR WHATSOEVER WITH THE CONTINUATION OF DRILLING." I TOLD THORNTON THAT I WOULD PASS THIS MESSAGE IN ITS ENTIRETY TO OUR EMBASSY IN TUNIS IN ORDER TO ASSIST AMBASSADOR MULCAHY IN HIS EFFORTS TO OBTAIN A CURRENT CLARIFICATION OF THE PRESENT TUNISIAN POSITION.

4. COMMENT: IT IS OBVIOUS FROM THORNTON'S DESCRIPTIONS THAT LIBYANS IN SECOND MEETING WERE EXUDING CONFIDENCE THAT (1) TUNISIAN GOVERNMENT POSITION HAS CHANGED, (2) CRISIS HAS PASSED, (3) READING AND BATES CAN AND SHOULD NOW STAY ON, AND (4) USG WILL CEASE ITS PRESSURE.

5. WE OBVIOUSLY CANNOT BE MORE ROYALIST THAN THE KING IN THIS MATTER. INDEED, IT WOULD BE AN UNTENABLE POSITION

FOR THE USG TO BE SEEN TO BE FORCING AN AMERICAN-OWNED DRILLING RIG OUT OF A LUCRATIVE CONTRACT (REGARDLESS OF PAST CIRCUMSTANCES) IF THINGS ARE AS DESCRIBED BY THE

LIBYANS. IT APPEARS (ONLY IN PART DUE TO HEDDA'S RELUCTANCE TO DISCUSS THE ISSUE DIRECTLY) THAT INDEED THE TUNISIAN GOVERNMENT POSITION HAS CHANGED. IF THE PARTIES ARE NEGOTIATING (WHICH APPEARS TO BE THE CASE) AND IF THE RIG WORKING IN THE DISPUTED ZONE IS NOT AN IMPEDIMENT TO THE NEGOTIATIONS (WHICH APPEARS TO BE THE CASE) AND IF THE RIG IS IN NO IMMINENT DANGER FROM TUNISIAN ARMED ACTION (WHICH APPEARS TO BE THE CASE), THE BASIS FOR OUR URGENT INTERVENTION IN THIS MATTER HAS PRETTY WELL EVAPORATED.

6. WOULD APPRECIATE TUNISIA'S COMMENTS AFTER CONSULTATIONS WITH SENIOR LEVEL GOT ASAP. MEANWHILE, WE HAVE TOLD CONFIDENTIAL

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THORNTON THAT THE INITIATION OF NEGOTIATIONS CLEARLY INDICATES THAT THE RIG IS IN NO IMMEDIATE DANGER AND WE WOULD SUGGEST THAT IT MIGHT BE WISE FOR HIM AND HIS PARTY TO MAKE PLANS TO STAY IN LONDON AT LEAST A FEW MORE DAYS SHOULD IT REQUIRE THIS LONG FOR CLARIFICATION OF THE SITUATION.

7. WE HAVE JUST RECEIVED TUNIS 4003 AND HAVE ALSO HAD OPPORTUNITY TO REVIEW FULL TEXT OF POLITICAL BUREAU COMMUNIQUE AND TUNIS 3988. COMMENTS FOLLOW SEPTTEL. VANCE

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